



Democrats' Budget Fails Future Generations

Smoke and Mirrors Used to Obscure Fact That Taxes, Spending, and Debt All Sharply Higher

- **Democrats' Budget Raises Taxes on Hardworking Families and Businesses**
 - By not extending existing tax policies past 2010, Dems raise taxes by a staggering \$900 billion – the largest tax hike EVER.
- **Democrats' Budget Increases Spending on Washington Programs**
 - Dems return to their old tax-and-spend ways, increasing non-defense discretionary spending by a whopping \$125-\$150 billion over the President's request.
 - During 2008-2011, the budget increases the deficit by \$200-\$300 billion – 5 times as much as the Deficit Reduction Act saved over 5-year period. Gross debt increases by \$2 trillion.
 - Dems spend more than \$1 trillion of Social Security surplus.
- **Democrats' Budget Contains Deceptive Gimmicks and Loopholes**
 - Revenues from closing the tax gap are grossly overstated and are essentially an illusion.
 - Reserve funds are used to make it seem like issues are being addressed when the opposite is true.
- **Democrats' Budget Ignores Looming Fiscal Problems That Threaten Security of Future Generations**
 - Dems completely ignore the urgent need to address entitlement reform, especially as the first Baby Boomers begin retiring during this budget window.
 - Dems' budget contains NO proposals that, on net, reduce mandatory spending or the debt.
- **Democrats' Budget Highlights Hypocrisy of Hollow Rhetoric**
 - Chairman Conrad says, "We need to be tough on spending." Number of spending cuts in Dems' budget: ZERO.
 - Chairman Conrad says, "I am prepared to get savings out of long-term entitlement programs." Entitlement savings in Dems' budget: ZERO.
- **Democrats' Budget Weakens Budget Enforcement**
 - Dems implement "Tax-Go," pretense for raising taxes.
 - Caps on discretionary spending exist only in 2007 and 2008.